

**Economic Impact Statement**  
LSA Document #10-734

**IC 4-22-2.1-5 Statement Concerning Rules Affecting Small Businesses****Description of Rule**

In 2009, Senate Enrolled Act 202 was enacted by the Indiana General Assembly to transfer the responsibility of the lead-based paint program from the Indiana Department of Environmental Management (IDEM) to the Indiana State Department of Health (ISDH). This transfer afforded ISDH an opportunity to review the current rule and make revisions to reflect current research and data on identified lead hazards as well as revised and newly implemented federal rules. This amendment requires that information on the lead hazards identified in Indiana be reported to ISDH for surveillance purposes. This amendment is based on the recommendation from the U.S. Environmental Protection Agency (EPA).

Along with updating sections of the rule for clarity, the amendment adds definitions that have become relevant due to the passage of the EPA's Renovation Repair and Painting Rule that went into effect on April 22, 2010.

**Economic Impact on Small Businesses****1. Estimate of the number of small businesses, classified by industry sector, that will be subject to the proposed rule.**

[IC 4-22-2.1-4](#) defines a small business as any person, firm, corporation, limited liability company, partnership, or association that: (1) is actively engaged in business in Indiana and maintains its principal place of business in Indiana; (2) is independently owned and operated; (3) employs one hundred (100) or fewer full-time employees; and (4) has gross annual receipts of five million dollars (\$5,000,000) or less.

Based on information from the Indiana Professional Licensing Agency (IPLA), there are 302 licensed Lead-based Paint Activities Contractors and Lead-based Paint Supervisors in Indiana that will be affected by this rule.

**2. Estimate of the average annual reporting, record keeping, and other administrative costs that small businesses will incur to comply with the proposed rule.**

Small businesses will incur minimal increase in costs for reporting, record keeping, or other administrative costs as a result of this amendment. Any increased cost is a direct result of the legislative requirement that ISDH receive notification of abatement projects and post-remediation reports after the completion of remediation projects. Businesses to which this provision applies will need to submit abatement notification forms as well post-remediation reports outlining the work that was completed.

**3. Estimate of the total annual economic impact that compliance with the proposed rule will have on all small businesses subject to the rule.**

Small businesses will incur minimal costs for compliance with this rule. The rule requires a \$50 notification fee for each abatement job. In 2010, there were 148 abatement projects reported to ISDH. The requirement for contractors to submit post-remediation reports will require a minimal outlay of resources since the reporting will be web-based and will take less than 10 minutes per report. In 2010, there were 123 post-remediation projects reported to ISDH by contractors and local health departments.

**4. Statement justifying any requirement or cost that is imposed on small businesses by the rule; and not expressly required by the statute authorizing the agency to adopt the rule; or any other state or federal law.**

This rule does not impose any additional requirements or costs on small businesses not expressly required by the authorizing statute.

**5. Regulatory Flexibility Analysis**

Other factors considered:

**A. Establishment of less stringent compliance or reporting requirements for small businesses.**

The least stringent means have been utilized in this rule. By requiring reporting into a central repository, any additional reporting by licensed personnel under this rule has been eliminated. All quality assurance or follow-up by ISDH can be accomplished from the central repository and will not require any additional efforts on the part of the licensees.

**B. Establishment of less stringent schedules or deadlines for compliance or reporting requirements for small businesses.**

ISDH is using the least stringent reporting schedule as the other states in Region 5 so that individuals that

have licenses in adjacent states are all on the same schedule. Compliance activities will not require any additional action by the licensed individual because the central repository will have all of the needed information for ISDH staff to be able to perform any needed quality assurance measures.

**C. Consolidation or simplification of compliance or reporting requirements for small businesses.**

The amendment simplifies reporting requirements by having a central repository that all information is entered into and enables the licensed personnel to generate reports as required by state and federal rules. Compliance activities will not require any additional action by the licensed individual because the central repository will have all of the needed information for ISDH staff to be able to perform any needed quality assurance measures.

**D. Establishment of performance standards for small businesses instead of design or operational standards imposed on other regulated entities by the rule.**

Small businesses will be required to report all inspection information to ISDH for inclusion into the central repository for inspection information. No other performance standards will be established or imposed.

**E. Exemption of small businesses from part or all of the requirements or costs imposed by the rule.**

The amendment will only apply to licensed risk assessors, lead inspectors, lead-based paint activities contractors, and lead supervisors. No other small businesses are affected.

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